

MEYER PLC

(Formerly DN MEYER PLC)

CONSOLIDATED AND SEPARATE

FINANCIAL STATEMENTS

31 DECEMBER 2024

MEYER PLC AND ITS SUBSIDIARY COMPANY
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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**MEYER PLC AND ITS SUBSIDIARY COMPANY
CORPORATE INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

DIRECTORS, ADVISORS AND REGISTERED OFFICE

Chairman of the Board	Mr Kayode Falowo
Directors	Dr. David Onabajo (Managing Director) Resigned w.e.f 27 January 2025 Mr. Henshaw Nwaorgu (Ag. Managing Director) Appointed w.e.f 3 January 2025 Mr. Godswill Umunakwe Appointed w.e.f 25 April 2024 Mr. Osa Osunde Mr. Erelu Angela Adebayo Mr. Tony Ukponi Mr. Oluwatoyin Okeowo Mrs Ochee Vivienne Bamgboye
Registered office	No 32 Billings way, Oregon Industrial Estate, Ikeja, Lagos
Tax Identification Number	01150890-0001
Company Secretary	Marriot Solicitors 15E, Muri Okunola Street Off Ajose Adeogun Street Victoria Island, Lagos
Company Registrar	Greenwich Registrars & Data Solutions Limited 274, Murtala Muhammed Way Alagomeji, Yaba Lagos
Auditors	BDO Professional Services (Chartered Accountants) ADOL House 15, CIPM Avenue Central Business District Alausa, Ikeja Lagos.
Major Bankers	Access Bank Plc First Bank of Nigeria Limited Zenith Bank Plc United Bank for Africa Plc Stanbic IBTC Bank Limited Guaranty Trust Bank Limited First City Monument Bank Limited Eco Bank Plc Providus Bank Limited Greenwich Merchant Bank Limited

FINANCIAL STATEMENTS

The Directors are pleased to submit their report together with the Audited Financial Statements for the year ended 31 December 2024.

LEGAL STATUS

The Company commenced operations in Nigeria in 1960 after it was incorporated as a private limited liability company. It was converted to a public company in 1979. The Company was listed on the Nigerian Stock Exchange in 1979.

PRINCIPAL ACTIVITIES

The principal activity of the Company is manufacturing and sale of paint products, coating, adhesives and flooring products.

Subsidiary	Principal Activities	Date of Incorporation	Percentage Holding
DNM Construction Limited	Building and Construction	20 July, 2007	96%

The financial results of the subsidiary have been consolidated in these financial statements.

DIVIDEND

The Board of Directors has recommended a dividend of 30k per share for the year ended 31 December 2024.

SHARE CAPITAL AND SHAREHOLDING

- i. The Company did not purchase its own shares during the year.
- ii. The issued and paid up capital of the Company is N248,863,781 (2023:N248,863,781) divided into 497,728,562 (2023: 497,728,562) ordinary shares of 50 kobo each.
- iii. The issued and paid up capital of the Company is N248,863,781 divided into 497,728,562 ordinary shares of 50 kobo each.

SUBSTANTIAL INTEREST IN SHARES

List of shareholding with 5% and above for year 2024

S/N	NAMES	2024 SHAREHOLDING	%
1	Greenwich Capital Limited	156,419,326	31.43
2	Bosworth Investments & Service Limited	153,961,094	30.93
3	Mr. Osa Osunde	30,001,500	6.03
4	Mr. Kayode Falowo	25,688,982	5.16

No individual shareholder other than as stated above held more than 5% of the issued share capital of the Company as at 31 December 2024.

Interests of Directors in Shares of the Company

The interests of Directors in the issued shares of the company as stated in the Register of Members as at 31 December 2024 for the purposes of section 301 of the Companies and Allied Matters Act, 2020 are as follows :

S/N	Name of Director	Direct	Indirect	Direct	Indirect
		shareholding 2024	shareholding 2024	shareholding 2023	shareholding 2023
1	Kayode Falowo	25,688,982	156,419,326	25,688,982	156,419,326
2	Mr. Osa Osunde	30,001,500	Nil	30,001,500	Nil
3	Erelu Angela Adebayo	Nil	Nil	Nil	Nil
4	Mr. Tony Uponi	3,298,804	Nil	3,298,804	Nil
5	Mr. Oluwatoyin Okeowo	2,080,482	Nil	2,080,482	Nil
6	Mrs. Vivienne Ochee-Bamgboye	384,998	Nil	384,998	Nil

RESEARCH AND DEVELOPMENT

In order to maintain and enhance skills and abilities, the Company's policy of continuously researching into new products and services was maintained.

EMPLOYMENT AND EMPLOYEES

i) Employment of Physically Challenged persons

It is the policy of the Company that there is no discrimination in considering applications for employment including those from Physically Challenged persons. All employees whether or not Physically Challenged are given equal opportunities to develop their experience and knowledge and to qualify for promotion in furtherance of their careers. As at 31 December 2024 there was no Physically Challenged person in the employment of the Company.

ii) Health, safety at work and welfare of employees.

Health and safety regulations are in force within the premises of the Company. The Company provides transportation, housing, meal and medical subsidies to all employees.

iii) Employee involvement and training

The Company is committed to keeping employees fully informed regarding its performance and progress and seeking their views wherever practicable on matters which particularly affect them as employees. Management, professional and technical expertise are the Company's major assets and investments to develop such skills continue.

The Company's expanding skills base has been extended by the provision of training which has broadened opportunities for career development within the organisation. Incentive schemes designed to meet the circumstances of each individual are implemented wherever appropriate.

COMPLIANCE WITH REGULATORY REQUIREMENTS

The Directors confirm to the best of their knowledge that the Company has substantially complied with the provisions of the Securities and Exchange Commission, Code of Corporate Governance and other regulatory requirements. The Directors further confirm that the Company has adopted the International Financial Reporting Standards (IFRS) and has complied substantially with the provisions thereof.

EFFECTIVENESS OF INTERNAL CONTROL SYSTEM

As the Company operates in a dynamic environment, it continuously monitors its internal control system to ensure its continued effectiveness. In doing this, the Company employs both high level and preventive controls which will ensure maximum opportunity for prevention of misleading or inaccurate financial statements, properly safeguard its assets and ensure achievement of its corporate goals while complying with relevant laws and regulations.

POST BALANCE SHEET EVENTS

There were no post balance sheet events that would have had an effect on these financial statements.

HUMAN CAPITAL MANAGEMENT

Employee relations were stable and cordial in the year under review.

AUDITORS

In accordance with Section 401(2) of the Companies and Allied Matters Act, 2020, the External Auditors, BDO Professional Services (Chartered Accountants) have indicated their willingness to continue in office and a resolution will be proposed to authorise the Directors to determine their remuneration.

BY ORDER OF THE BOARD



.....
KALU O. KALU
(Marriot Solicitors)
Company Secretary
FRC/2020/002/00000021788

**MEYER PLC AND ITS SUBSIDIARY COMPANY
STATEMENT OF DIRECTORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 DECEMBER 2024**

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The Companies and Allied Matters Act, 2020, requires the Directors to prepare financial statements for each financial year that give a true and fair view of the state of financial affairs of the Company at the end of the year and of its profit or loss. The responsibilities include ensuring that the Company:

- a) keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Company and comply with the requirements of the Companies and Allied Matters Act, 2020.
- b) Establishes adequate internal controls to safeguard its assets and to prevent and detect fraud and other irregularities; and
- c) Prepares its financial statements using suitable accounting policies supported by reasonable and prudent judgments and estimates, and are consistently applied.

The Directors accept responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Financial Reporting Standards (IFRS) and the requirements of the Companies and Allied Matters Act, 2020.

The Directors are of the opinion that the financial statements give a true and fair view of the state of the financial affairs of the Company and of its profit or loss. The Directors further accept responsibility for the maintenance of accounting records that may be relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of the Directors to indicate that the Company will not remain a going concern for at least twelve months from the date of this statement.



Kayode Falowo
Chairman
FRC/2014/CISN/00000007051



Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638

We, the undersigned hereby certify the following with regards to our Audited Financial Statements for the year ended 31 December 2024 that:

- a) We have reviewed the report;
- b) To the best of our knowledge, the report does not contain:
 - i. Any untrue statement of a material fact, or
 - ii. Omit to state a material fact, which would make a statement, misleading in light of the circumstance under which such statements were made;
- c) To the best of our knowledge, the financial statements and other financial information included in the report fairly present in all material respects the financial condition and results of operation of the Company as of, and for the periods presented in the report.
- d) We:
 - i. are responsible for establishing and maintaining internal controls
 - ii. have designed such internal controls to ensure that material information relating to the Company and its consolidated subsidiary is made known to such officers by other within those entities particularly during which the periodic reports are being prepared;
 - iii. have evaluated the effectiveness of the Company's internal controls as of that date within 90 days prior to the report;
 - iv. have presented in the report our conclusions about the effectiveness of our internal controls based on our evaluation as of that date;
- e) We have disclosed to the auditors of the Company and audit committee:
 - i. all significant deficiencies in the design or operation of internal controls which would adversely affect the Company's ability to record, process, summarize and report financial data and have identified for the Company's auditors any material weakness in internal controls, and
 - ii. any fraud whether or not material, that involves management or other employees who have significant roles in the Company's internal controls.
- f) We have identified in the report whether or not there were significant deficiencies and material weaknesses.



Mr. Kayode Falowo
Chairman
FRC/2014/CISN/00000007051



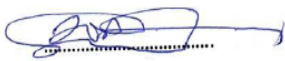
Koleosho Adekunle Orelope
Ag. Chief Finance Officer
FRC/2024/PRO/ICAN/002/685438

In accordance with the provisions of Section 404 of the Companies and Allied Matters Act, 2020. We, the Members of the Audit Committee of Meyer Plc, having carried out our statutory functions under the Act, hereby report that:

- a) the accounting and reporting policies of the Company are in accordance with legal requirements and agreed ethical practices;
- b) the scope and planning of both the external and internal audit programmes for the year ended 31 December, 2024 are satisfactory and reinforce the Company's internal control system;
- c) having reviewed the external auditor's findings and recommendations on Management matters, we are satisfied with Management's response thereon.
- d) the Company maintained an effective system of accounting and internal control during the year under review.

Finally, we acknowledge the cooperation of Management and external auditors in the conduct of these duties.

Signed,



**Dr. Joseph O. Asaolu
Chairman, Audit Committee
FRC/2017/PRO/ICAN/004/00000016003**

Dated: 25 March 2025

Members of Audit Committee:

- | | |
|--|----------------------------------|
| • Dr. Joseph O. Asaolu
FRC/2017/PRO/ICAN/004/00000016003 | Independent Shareholder/Chairman |
| • Mr. Gafar Erinfolami
FRC/2017/PRO/ICAN/004/00000004033 | Independent Shareholder/Member |
| • Mr. Shamusideen Abioye
FRC/2014/PRO/ICAN/004/00000008518 | Independent Shareholder/Member |
| • Mr. Osa Osunde
FRC/2016/DIR/ICAN/003/00000014283 | Non- Executive Director/Member |
| • Mrs. Vivienne Ochee- Bamgboye
FRC/2023/PRO/DIR/003/625470 | Non- Executive Director/Member |

We, Oluwatoyin Okeowo Director and Adekunle Koleosho Orelope Ag. Chief Finance Officer of Meyer Plc, certify that:

- 1 We have reviewed the Management Report on the Assessment of Internal Control Over Financial Reporting of Meyer Plc;
- 2 Based on our knowledge, this report does not contain any untrue statement of a material fact or omit a material fact necessary to ensure that the statements made, in light of the circumstances, are not misleading for the period covered by this report.
- 3 We:
 - i) are responsible for establishing and maintaining internal controls;
 - ii) have designed such internal controls and procedures, or caused such internal controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, is made known to us by others, particularly during the period in which this report is being prepared;
 - iii) have designed such internal control system, or caused such internal control system to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - iv) have evaluated the effectiveness of the Company's internal controls within 90 days prior to this report and have presented our conclusions on their effectiveness as of the reporting date.
4. Based on our most recent evaluation, we have disclosed to the Company's auditors and the audit committee of the board of directors:
 - i) That there are no significant deficiencies or material weaknesses in the design or operation of the internal control system that could reasonably affect the Company's ability to record, process, summarize, and report financial information.
 - ii) That no fraud, whether material or not, involving management or employees with a significant role in the internal control system has been identified.

We have also disclosed in this report whether there have been any significant changes in internal controls or other factors that could materially impact the effectiveness of internal controls, including any corrective actions taken to address significant deficiencies and material weaknesses.

Dated this day 25 March 2025



Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638



Koleosho Adekunle Orelope
Ag. Chief Finance Officer
FRC/2024/PRO/ICAN/002/685438

**MEYER PLC AND ITS SUBSIDIARY COMPANY
REPORT ON THE ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING
FOR THE YEAR ENDED 31 DECEMBER 2024**

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Management of Meyer Plc ("the Company") and its Subsidiary ("the group") is responsible for establishing and maintaining an adequate system of internal control over financial reporting, including safeguarding of assets against unauthorized acquisition, use or disposition. This system is designed to provide reasonable assurance to Management and the board of directors regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Meyer Plc internal control system is supported by written policies and procedures, incorporates self-monitoring mechanisms, and is subject to internal audit reviews. When deficiencies are identified, Management takes appropriate corrective actions. However, like all internal control systems, inherent limitations exist, including the potential for circumvention or overriding of controls.

As of 31 December 2024, Management conducted an assessment of the effectiveness of internal control over financial reporting using the COSO 2013 Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Based on this assessment, Management ascertain that, as of 31 December 2024, the Company's internal control over financial reporting was properly designed and effectively operating. Furthermore, no material weaknesses were identified in the Company's internal control over financial reporting.

The effectiveness of the Company's internal control over financial reporting as of 31 December 2024, has been audited by an independent registered accounting firm.

Dated this day 25 March 2025



Oluwatoyin Okeowo
Director
FRC/2013/IODN/00000002638



Koleosho Adekunle Orelope
Ag. Chief Finance Officer
FRC/2024/PRO/ICAN/002/685438

**Assurance Report of Independent Auditor
To the Shareholders of Meyer Plc
Assurance Report on Management's Assessment of Controls over Financial Reporting**

We have performed a limited assurance engagement on Meyer Plc ("the Company") and its Subsidiary ("the group") internal control over financial reporting as of 31 December 2024, based on Financial Reporting Council (FRC) Guidance on Management Report on Internal Control Over Financial Reporting. Meyer Plc's Board of Directors and Management are responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Company's Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's Internal Control over Financial Reporting based on our Assurance engagement.

In our opinion, nothing has come to our attention that the internal control procedures over financial reporting put in place by management are not adequate as of the specified date, based on the FRC Guidance on Management Report on Internal Control Over Financial Reporting.

We have complied with independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

The firm applies the International Standard on Quality Management 1, Quality Management for firms that perform audit or review of financial statements, or other assurance or related services engagement which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We conducted our Assurance engagement in accordance with FRC Guidance on Assurance Engagement Report on Internal Control over Financial Reporting. That Guidance requires that we plan and perform the Assurance engagement and provide a limited assurance report on the entity's internal control over financial reporting based on our assurance engagement.

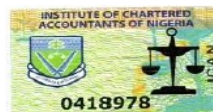
As prescribed in the Guidance, the procedures we performed included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our engagement also included performing such other procedures as we considered necessary in the circumstances. We believe the procedures performed provide a basis for our report on the internal control put in place by management over financial reporting.

A Company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal control over financial reporting includes those policies and procedures that:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and disposition of the assets of the Company.
- ii. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorization of Management and directors of the Company; and
- iii. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect all misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Lagos, Nigeria
27 March 2025




Olugbemiga A. Akibayo
FRC/2013/PRO/ICAN/004/00000001076,
For: BDO Professional Services
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MEYER PLC AND ITS SUBSIDIARY COMPANY REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Meyer Plc and its subsidiary Company ('together the Group') for the financial year ended 31 December 2024, which comprises the consolidated and separate statement of financial position, consolidated and separate statement of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity, consolidated and separate statement of cash flows for the year then ended, and notes to the consolidated and separate financial statements which include the significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements give a true and fair view of the Group's and Company's financial position as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria, (Amendment) Act, 2023, and the Companies and Allied Matters Act, 2020.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and its subsidiary in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to our audit of the financial statements in Nigeria, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the International Ethics Standards Board Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters which, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, therefore, we do not provide a separate opinion on these matters.

Revenue recognition

Risk

Revenue on sales of paint is recognised when invoices are generated and not when goods are delivered to customers. There is a potential risk that revenue may not be properly accounted for in appropriate periods especially at year end.

Response

Completeness of revenue

- Reviewed the revenue ledgers and ascertained that invoices are serially numbered.
- Investigated reasons for missing invoices.
- Traced invoices recorded on the goods despatch register at the gate to invoices recorded in the ledger.
- Agreed treatment of sales tax
- Agreed postings to customers accounts
- Documented basis for sample size and selection

Confirmed revenue cycle cut-off from goods despatched

- Obtained details of 12 despatches of inventory prior to and subsequent to the year end / despatches with inventory value over N1million in the months either side of the period end.
- Verified that the revenue and receivables were raised in the appropriate accounting period.

Considered adequacy of provision for credit notes

- Agreed provision for credit notes to general ledger
- Discussed basis for preparation with management and considered reasonableness and consistency of method
- For a sample of credit notes issued after the year end, checked whether a provision is required by reference to supporting documentation. Considered whether the provision should be for the whole amount, or just for a part, for instance where goods or services are repriced.
- Ensured that relevant credit notes have been provided for.

Valuation of inventory**Risk**

In accordance with International Accounting Standard Number 2 (IAS2), inventory should be valued at lower of cost and net realisable value. There is a risk that inventory may not be properly valued.

Response**Inventory Valuation****Inquired and verified valuation method**

- Agreed quantity on the Company's valuation sheet to physical inventory count
- Recomputed inventory valuation at year end and adjusted for the differences.
- Considered need to make a provision for slow-moving inventory and write off of obsolete items.
- Ensured that third party inventory are not included in valuation

Price Test - Raw Materials and Finished Goods

For a sample of raw materials and purchased finished goods included in inventory, costs were checked in reference to:

- Relevant suppliers' invoices (allowing for method of costing inventory) and noted treatment of freight, etc, trade discounts and other price reductions in determining cost
- Overheads incurred in bringing inventory to present location and condition
- Ascertained that inter-company and inter-department profits were recorded properly
- Ensured that carrying amount of inventory is in line with the requirements of IAS 2.

Attend physical inventory count

- Attended physical inventory count at year-end.
- Observed count, noting attitude and behaviour of counters
- For a selection of items from the floor, compared with count sheets and reconciled differences
- For a selection of items from the count sheets, recounted and reconciled differences
- Verified counts observed by tracing and agreeing to the final inventory listing

Net realisable value (NRV) Testing

For a sample of items in inventory, verified that the final selling price is above cost after making provision for any additional costs to completion, and costs to sell.

- for sales price - checked selling prices to price lists, prior and current invoicing, etc, allowing for any normal trade and quantity discounts
- for costs to complete - reviewed computations of costs to complete for reasonableness
- for costs to sell - reviewed computations of selling costs
- Obtained an understanding of the reason for an item that has an NRV less than cost, and considered the need for a provision on any such items.

Responsibilities of the Directors for the consolidated and separate Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board, and in compliance with the relevant provisions of the Financial Reporting Council of Nigeria (amendment) Act, 2023 and the Companies and Allied Matters Act, 2020, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company and its subsidiary or to cease operations, or has no realistic alternative but to do so.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Chairman's and Directors' statements, but does not include the consolidated and separate financial statements and our auditor's report thereon. Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this information, we are required to report that fact. We have nothing to report in this regard.

Auditor's responsibilities for the Audit of the consolidated and separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of our audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- * Identified and assessed the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- * Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and Company's internal control.
- * Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

* Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

* Evaluated the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the Group and Company's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit, and significant audit findings and any significant deficiencies in internal control that we identified during our audit.

Report on other legal and regulatory requirements

The Companies and Allied Matters Act, 2020, requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- ii) in our opinion, proper books of account have been kept by the Company and its subsidiary.
- iii) the Company and subsidiary's statements of financial position, and statements of profit or loss and other comprehensive income are in agreement with the books of account.

Lagos, Nigeria
27 March 2025



Olugbemiga A. Akibayo
FRC/2013/PRO/ICAN/004/00000001076
For: BDO Professional Services
Chartered Accountants



MEYER PLC AND ITS SUBSIDIARY COMPANY
CONSOLIDATED AND SEPARATE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

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	Notes	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Revenue	9	3,123,957	2,266,791	3,123,957	2,266,791
Cost of sales	10	(2,083,089)	(1,377,369)	(2,083,089)	(1,377,369)
Gross profit		1,040,868	889,422	1,040,868	889,422
Other operating income	11	76,782	13,497	76,782	13,497
Selling and distribution expenses	12	(332,356)	(297,264)	(332,356)	(297,264)
Administrative expenses	13	(576,652)	(410,202)	(576,648)	(410,197)
Profit from operating activities		208,642	195,453	208,646	195,458
Finance income	14(i)	251,508	159,629	251,508	159,629
Finance costs	14(ii)	(2,548)	(4,187)	(2,548)	(4,187)
Net finance income		248,960	155,442	248,960	155,442
Profit before taxation		457,602	350,895	457,606	350,900
Tax expense	16(a)	(162,200)	(114,931)	(162,200)	(114,931)
Profit for the year		295,402	235,964	295,406	235,969
Other comprehensive income:					
Items that will not be reclassified to profit or loss		-	-	-	-
Items that may be reclassified to profit or loss		-	-	-	-
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive profit for the year		295,402	235,964	295,406	235,969
Profit for the year attributable to:					
Owners of the parent		295,402	235,964	295,406	235,969
Non-controlling interest		(4)	(4)	-	-
Profit for the year		295,398	235,960	295,406	235,969
Total comprehensive profit attributable to:					
Owners of the parent		295,402	235,964	295,406	235,969
Non-controlling interest		4	4	-	-
Total comprehensive profit for the year		295,406	235,968	295,406	235,969
Basic earnings per share (kobo)	29	59	47	59	47
Diluted earnings per share (kobo)	29	59	47	59	47

The accompanying notes on pages 9 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditor's report, pages 1 to 4

	Notes	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Non-current assets					
Property, plant and equipment	17	330,219	321,225	330,219	321,225
Right of use	17 (c)	2,750	19,250	2,750	19,250
Intangible assets	17 (d)	18,553	-	18,553	-
Investment in subsidiary	18	-	-	-	-
Total non-current assets		351,522	340,475	351,522	340,475
Current assets					
Inventories	19	379,392	194,115	379,392	194,115
Trade and other receivables	20	533,154	396,016	506,043	368,905
Cash and cash equivalents	21	1,576,334	1,521,455	1,576,150	1,521,272
Total current assets		2,488,880	2,111,586	2,461,585	2,084,292
Total assets		2,840,402	2,452,060	2,813,107	2,424,767
Current liabilities					
Short term borrowings	22(ii)	5,779	18,330	5,779	18,330
Trade and other payables	24	816,458	598,761	840,834	623,134
Current tax liabilities	16(b)	141,819	114,931	141,819	114,931
Total current liabilities		964,056	732,022	988,432	756,395
Net Current Assets		1,524,824	1,379,564	1,473,153	1,327,897
Total assets less current liabilities		1,876,346	1,720,038	1,824,675	1,668,371
Non-Current Liabilities					
Borrowings	22(ii)	-	5,779	-	5,779
Dismantlement and restoration	25	15,143	11,649	15,143	11,649
Employment benefits	23(d)	7,843	13,669	7,843	13,669
Deferred tax liabilities	16	22,889	4,530	22,889	4,530
		45,875	35,627	45,875	35,627
Net Assets		1,830,471	1,684,411	1,778,800	1,632,744
Equity					
Share capital	26	248,864	248,864	248,864	248,864
Share premium account	27	53,173	53,173	53,173	53,173
Revenue reserve	28(i)	1,525,986	1,379,930	1,476,763	1,330,707
Non-controlling interest	28(ii)	2,448	2,444	-	-
Total Equity		1,830,471	1,684,411	1,778,800	1,632,744

The financial statements and notes to the financial statements were approved by the Board of directors on 25 March 2025 and signed on its behalf by:



Mr. Kayode Falowo
 Chairman
 FRC/2014/CISN/00000007051



Oluwatoyin Okeowo
 Director
 FRC/2013/IODN/00000002638



Koleosho Adekunle Orelope
 Ag. Chief Finance Officer
 FRC/2024/PRO/ICAN/002/685438

The accompanying notes on pages 9 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

Auditor's report, pages 1 to 4

MEYER PLC AND ITS SUBSIDIARY COMPANY
CONSOLIDATED AND SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

8

	Notes	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
Cash flow from operating activities:					
Profit for the year		457,602	350,895	457,606	350,900
Adjusted for:					
Amortization of intangible assets	17(d)	1,325	-	1,325	-
Depreciation of property, plant and equipment	17(c)	24,290	12,639	24,290	12,542
Depreciation of Right of use assets	17	33,000	44,510	33,000	44,510
Provision for dismantlement and restoration	25	3,494	-	3,494	-
Finance cost	14	2,548	4,187	2,548	4,187
Finance income	14	(251,508)	(159,629)	(251,508)	(159,629)
Profit on disposal of property, plant and equipment	11	(12,606)	(4,781)	(12,606)	(4,781)
Operating cash flows before movements in working capital		258,145	247,820	258,149	247,729
Increase in inventories	19	(185,277)	(59,723)	(185,277)	(59,723)
Increase in trade and other receivables	20	(137,137)	(240,926)	(137,138)	(244,576)
Increase in trade and other payables	24(a)	217,704	170,241	217,700	173,885
Decrease in employee benefit	23	(5,826)	(1,320)	(5,826)	(1,320)
		147,609	116,093	147,608	115,995
Income taxes paid	16 (b)	(116,955)	(10,374)	(116,955)	(10,374)
Net cash generated by operating activities		30,654	105,719	30,653	105,621
Cashflow from investing activities					
Additions to Property, Plant and equipment	17(a)	(33,377)	(41,735)	(33,377)	(41,735)
Additions to intangible assets	17(d)	(19,878)	-	(19,878)	-
Addition to Right of Use of assets	17(c)	(16,500)	(33,000)	(16,500)	(33,000)
Proceeds from disposal of Property, plant and equipment	11(b)	12,700	4,782	12,700	4,881
Finance income	14	251,508	159,629	251,508	159,629
Net cash generated by investing activities		194,453	89,676	194,453	89,775
Cashflow from financing activities					
Long term loan repaid	22(ii)	(12,551)	(12,554)	(12,551)	(12,554)
Borrowing	22(ii)	(5,779)	16,575	(5,779)	16,575
Dividend paid		(149,350)	-	(149,350)	-
Finance charges	14	(2,548)	(4,187)	(2,548)	(4,187)
Net cash generated by financing activities		(170,228)	(166)	(170,228)	(166)
Net cash and cash equivalents for the year		54,879	195,229	54,878	195,230
Cash and cash equivalents at beginning of the year		1,521,455	1,326,226	1,521,272	1,326,042
Cash and cash equivalents at end of the year		1,576,334	1,521,455	1,576,150	1,521,272
Cash and cash equivalents comprise:					
Cash at Bank and in hand	21	1,576,334	1,521,455	1,576,150	1,521,272

The accompanying notes on pages 9 to 40 and other national disclosures on pages 41 to 43 form an integral part of these financial statements.

1 The Group

The group comprises Meyer Plc (the Company) and its subsidiary - DNM Construction Limited.

The Company - Corporate information and principal activities

Meyer Plc (previously called DN Meyer Plc) is a manufacturing Company incorporated in Nigeria on the 20 May 1960. The name was changed by a special resolution and the authority of the Corporate Affairs Commission on 1st of July 2016. The Company manufactures and markets paints. The shares of the Company are held as follows: 31.43% by Greenwich Capital Limited, 30.93% by Bosworth Investments & Services Limited, 5.42% by Osa Osunde, 5.06% by Kayode Falowo and 27.160% by Nigerian citizens.

Its registered office is at No 32, Billings way, Oregun Industrial Estate, Alausa Ikeja, Lagos.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies and Allied Matters Act, 2020.

The financial statements were authorised for issue by the Board of Directors on 25 March 2025.

(b) Basis of measurement

The Group financial statements have been prepared on the historical cost basis except for the certain financial instruments measured at fair value

(c) Functional and presentation currency

The Group and Company's functional and presentation currency is the Nigerian naira. The financial statements are presented in Nigerian Naira and have been rounded to the nearest thousand except otherwise stated.

(d) Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and judgments. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

3 Changes in accounting policies

(a) New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures.

The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and leaseback (Amendments to IFRS 16);

On 22 September 2022, the IASB issued amendments to IFRS 16 – Lease Liability in a Sale and Leaseback (the Amendments).

Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

These amendments had no effect on the consolidated financial statements of the Company

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 *Classification of Liabilities as Current or Non-current* and subsequently, in October 2022 *Non-current Liabilities with Covenants*.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is unaffected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

These amendments have no effect on the measurement of any items in the financial statements of the Company. However, the classification of certain borrowings has changed from non-current to current as result of the application of the amendments for the current financial year as well as the comparative period.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the annual reporting period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 the Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the annual reporting period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following standards and amendments are effective for the annual reporting period beginning 1 January

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 *Presentation and Disclosure in Financial Statements*, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 *Basis of Preparation of Financial Statements* (renamed from *Accounting Policies, Changes in Accounting Estimates and Errors*). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items.

These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company does not expect to be eligible to apply IFRS 19.

4) Critical accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

i) Income and deferred taxation

Meyer Plc annually incurs income taxes payable, and also recognises changes to deferred tax assets and deferred tax liabilities, all of which are based on management's interpretations of applicable laws and regulations. The quality of these estimates is highly dependent upon management's ability to properly apply at times a very complex sets of rules, to recognise changes in applicable rules and, in the case of deferred tax assets, management's ability to project future earnings from activities that may apply loss carry forward positions against future income taxes.

ii) Impairment of property, plant and equipment

The Group assesses assets or groups of assets for impairment annually or whenever events or changes in circumstances indicate that carrying amounts of those assets may not be recoverable. In assessing whether a write-down of the carrying amount of a potentially impaired asset is required, the asset's carrying amount is compared to the recoverable amount. Frequently, the recoverable amount of an asset proves to be the Group's estimated value in use.

The estimated future cash flows applied are based on reasonable and supportable assumptions and represent management's best estimates of the range of economic conditions that will exist over the remaining useful life of the cash flow generating assets.

iii) Legal proceedings

The Group reviews outstanding legal cases following developments in the legal proceedings at each reporting date, in order to assess the need for provisions and disclosures in its financial statements. Among the factors considered in making decisions on provisions are the nature of litigation, claim or assessment, the legal process and potential level of damages in the jurisdiction in which the litigation, claim or assessment has been brought, the progress of the case (including the progress after the date of the financial statements but before those statements are issued), the opinions or views of legal advisers, experience on similar cases and any decision of the Group's management as to how it will respond to the litigation, claim or assessment.

5) Consolidation

(i) Subsidiary

The financial statements of the subsidiary are consolidated from the date the Company acquires control, up to the date that such effective control ceases. For the purpose of these financial statements, subsidiaries are entities over which the company has control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

De-facto control exists in situations where the Company has the practical ability to direct the activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists the Company considers all relevant facts and circumstances, including:

The size of The Company's voting rights relative to both the size and dispersion of other parties who hold voting rights; Substantive potential voting rights held by the Company and by other parties and other contractual arrangements.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Company. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity instruments issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Inter-company transactions, balances and unrealised gains on transactions between Companies within the Group are eliminated on consolidation. Unrealised losses are also eliminated in the same manner as unrealised gains, but only to the extent that there is no evidence of impairment. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group. Investment in subsidiaries in the separate financial statements of the parent entity is measured at cost.

(ii) Changes in ownership interests in subsidiary without change of control

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant shares acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposal to non-controlling interests are also recorded in equity.

(iii) Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss.

(iv) Disposal of subsidiaries

On loss of control, the Group derecognises the assets and liabilities of the subsidiary, any controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, that retained interest is accounted for as an equity-accounted investee or as financial asset at fair value through other comprehensive income (FVOCI) depending on the level of influence retained.

6) Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Going concern

The directors assess the Company and its subsidiary's future performance and financial position on a going concern basis and have no reason to believe that the Company and its subsidiary will not be a going concern in the year ahead. For this reason, these financial statements have been prepared on the basis of accounting policies applicable to a going concern.

(b) Foreign currency

Foreign currency transactions

In preparing the financial statements of the Group, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the conversion at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of cost in a foreign currency are converted using the exchange rate at the end of the period.

(c) Revenue recognition

Revenue represents the fair value of the consideration received or receivable for sales of goods and services, in the ordinary course of the Group's activities and is stated net of value-added tax (VAT), rebates and discounts.

(i) Sale of goods and rendering of services

The Company recognizes revenue from contracts with customers based on the five-step process described in IFRS 15. Revenue is recognized when the entity satisfies a performance obligation by transferring a promised goods or service to a customer. The goods or services are transferred when the customer acquires control over the asset, which may happen either over time or at a particular point in time. Under the five-step process an entity must complete the following steps before revenue can be recognised: Identify contracts with customers, identify performance obligations, determine the transaction price, allocate the transaction price to each of the separate performance obligations, and finally recognize the revenue as each performance obligation is satisfied.

(ii) **Other income**

This comprises profit from sale of financial assets, property, plant and equipment, foreign exchange gains, fair value gains of non financial assets measured at fair value through profit or loss and impairment loss no longer required written back.

Income arising from disposal of items of financial assets, plant and equipment and scraps is recognised at the time when proceeds from the disposal has been received by the Group. The profit on disposal is calculated as the difference between the net proceeds and the carrying amount of the assets. The Group recognises impairment no longer required as other income when the Group receives cash on an impaired receivable or when the value of an impaired investment increased and the investment is realisable.

(d) **Expenditure**

Expenditures are recognised as they accrue during the course of the year. Analysis of expenses recognised in the statement of comprehensive income is presented in classification based on the function of the expenses as this provides information that is reliable and more relevant than their nature.

The Group classifies its expenses as follows:

- Cost of sales;
- Administration expenses;
- Selling and distribution expenses; and
- Other allowances and amortizations

Finance income and finance costs

Finance income comprises interest income on short-term deposits with banks, dividend income, changes in the fair value of financial assets at fair value through profit or loss and foreign exchange gains.

Dividend income from investments is recognised in profit or loss when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably).

Interest income on short-term deposits is recognised by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and deferred consideration and impairment losses on financial assets (other than trade receivables).

(e) **Borrowing costs**

Borrowing costs directly attributable to the construction of qualifying assets, which are assets that necessarily take a substantial period of time to prepare for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as interest payable in the income statement in the period in which they are incurred.

(f) **Income tax expenses**

Income tax expense comprises current income tax, education tax and deferred tax. (See policy 'p' on income taxes)

(g) **Earnings per share**

The Group presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(h) **Property, plant and equipment**

Items of property, plant and equipment are measured at cost and less accumulated depreciation and impairment losses. The cost of property plant and equipment includes expenditures that are directly attributable to the acquisition of the asset. Property, plant and equipment under construction are disclosed as capital work-in-progress.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as a separate item of property, plant and equipment and are depreciated accordingly. Subsequent costs and additions are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

All other repairs and maintenance costs are charged to the profit and loss component of the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is recognised so as to write off the cost of the assets less their residual values over their useful lives, using the straight-line method on the following bases:

Major overhaul expenditure, including replacement spares and labour costs, is capitalised and amortised over the average expected life between major overhaul.

Furniture and Fixtures	4 years
Motor Vehicles	4 years
Plant and Machinery	8 years
Office Equipment	4 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefit is expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit and loss component of the statement of comprehensive income within 'Other income' in the year that the asset is derecognised.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

(i) Intangible Assets

Computer software

Computer software purchased from third parties. They are measured at cost less accumulated amortisation and accumulated impairment losses. Purchased computer software is capitalised on the basis of costs incurred to acquire and bring into use the specific software. These costs are amortised on a straight line basis over the useful life of the asset.

Expenditure that enhances and extends the benefits of computer software beyond their original specifications and lives, is recognised as a capital improvement cost and is added to the original cost of the software. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The residual values and useful lives are reviewed at the end of each reporting period and adjusted if appropriate. An Intangible asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The estimated useful lives for the current and comparative period are as follows:

Computer software	5 years
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Derecognition of intangible assets

An intangible assets is derecognised on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss when the asset is derecognised.

(j) Impairment of non-financial assets

Non-financial assets other than inventories are reviewed at each reporting date for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which they have separately identifiable cash flows (cash-generating units).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the income statements, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment is treated as a revaluation increase.

k) Leases

The standard covers the recognition of leases and related disclosure information in the financial statements.

The new standard defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the financial statement of lessees, IFRS 16 requires recognition in the balance sheet for each contract that meets its definition of a lease as right-of-use (RoU) asset and a lease liability, while lease payments are reflected as interest expense and a reduction of lease liabilities. The RoU assets are depreciated over the shorter of each contract's term and the assets useful life.

Upon implementation of IFRS 16, the following main implementation and application policy choices were made by the group:

- Short term leases (12 months or less) and leases of low value assets are not reflected in the statement of profit or loss and other comprehensive income but are expensed or (if appropriate) capitalised as incurred, depending on the activity in which the leased asset is used
- Non-lease components within lease contracts will be accounted for separately for all underlying classes of assets and reflected in the relevant expense category or (if appropriate) capitalised as incurred, depending on the activity involved.

At the commencement of the lease period, the following shall be recognised:

- A lease liability equal to the net present value of the non-variable lease payments over the lease term, including any lease incentives and residual value guarantees expected to be paid under the contract.
- A RoU asset equal to the lease liability, with the addition of any lease pre-payments, initial direct costs and costs of dismantling or restoration.

(l) Financial instruments

a) Financial assets

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

i) Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income (FVOCI) consist of:

- Non-trading equity investments designated by management at initial recognition. Once designated, they cannot be reclassified into any other category
- Financial assets held with the objective of both collecting contractual cash flows and selling the financial assets and the assets cash flows are solely payment of principal and interest.

ii) **Financial assets at amortised cost**

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
 - the contractual terms give rise to cash flows that are solely payments of principal and interest.
- The group financial assets are trade receivables, other receivables and cash and cash equivalents.

iii) **Trade receivables**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in note 7(c).

iv) **Other receivables**

These amounts generally arise from transactions outside the usual operating activities of the group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained. The non-current other receivables are due and payment within three years from the end of the reporting period.

v) **Cash and cash equivalents**

Cash and cash equivalents consist of cash at bank and in hand and short-term deposits with an original maturity of three months or less.

Bank overdrafts are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

vi) **Derecognition of financial assets**

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the income statement.

vii) **Impairment of financial instruments**

The Company has trade receivables for the sales of inventory that is subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables has been grouped based on shared credit risk characteristics and the days past due. The Company has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

b) Financial liabilities

Financial liabilities are initially recognised at fair value when the Company becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortized cost using the effective interest method. The Company financial liabilities include trade and other payables.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

i) Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ii) Borrowings

Borrowings are recognized initially at their issue proceeds and subsequently stated at cost less any repayments. Transaction costs where immaterial, are recognized immediately in the statement of comprehensive income. Where transaction costs are material, they are capitalized and amortised over the life of the loan. Interest paid on borrowing is recognized in the statement of comprehensive income for the period.

iii) De-recognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss and other comprehensive income.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value, with appropriate provisions for old and slow moving items. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost is determined as follows:-

Raw materials

Raw materials which includes purchase cost and other costs incurred to bring the materials to their location and condition are valued at actual cost.

Work in progress

Cost of work in progress includes cost of raw materials, labour, production and attributable overheads based on normal operating capacity.

Finished goods

Cost is determined using standard costing method and includes cost of material, labour, production and attributable overheads based on normal operating capacity.

Spare parts and consumables

Spare parts which are expected to be fully utilized in production within the next operating cycle and other consumables are valued at weighted average cost after making allowance for obsolete and damaged inventory.

(n) Provisions

A provision is recognized only if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. The Group's provisions are measured at the present value of the expenditures expected to be required to settle the obligation.

(o) **Employee benefits**

The Group operates the following contribution and benefit schemes for its employees:

(i) **Defined contribution pension scheme**

In line with the provisions of the Nigerian Pension Reform Act, 2014, Meyer Plc has instituted a defined contributory pension scheme for its employees. The scheme is funded by fixed contributions from employees and the Group at the rate of 8% by employees and 10% by the Group of basic salary, transport and housing allowances invested outside the Group through Pension Fund Administrators (PFAs) of the employees choice.

The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior periods.

The matching contributions made by Meyer Plc to the relevant PFAs are recognised as expenses when the costs become payable in the reporting periods during which employees have rendered services in exchange for those contributions. Liabilities in respect of the defined contribution scheme are charged against the profit of the period in which they become payable.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(ii) **Short-term benefits**

Short term employee benefit obligations which include wages, salaries, bonuses and other allowances for current employees are measured on an undiscounted basis and recognised and expensed by Meyer Plc in the income statement as the employees render such services.

A liability is recognised for the amount expected to be paid under short - term benefits if the Group has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(p) **Income Taxes - Company income tax and deferred tax liabilities**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current income tax is the estimated income tax payable on taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

The tax currently payable is based on taxable results for the year. Taxable results differs from results as reported in the income statement because it includes not only items of income or expense that are taxable or deductible in other years but it further excludes items that are never taxable or deductible. The Group's liabilities for current tax is calculated using tax rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability differs from its tax base. Deferred taxes are recognized using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes (tax bases of the assets or liability). The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted by the reporting date.

Deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(q) **Share capital and Share premium**

Shares are classified as equity when there is no obligation to transfer cash or other assets. Any amounts received over and above the par value of the shares issued is classified as 'share premium' in equity. Incremental costs directly attributable to the issue of equity instruments are shown in equity as a deduction from the proceeds, net of tax.

(r) Dividend on ordinary shares

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's shareholders. Interim dividends are deducted from equity when they are declared and no longer at the discretion of the shareholders. Dividends for the year that are approved after the statement of financial position date are disclosed as an event after the statement of financial position date.

(s) Retained earnings

General reserve represents amount set aside out of profits of the Group which shall at the discretion of the directors be applied to meeting contingencies, repairs or maintenance of any works connected with the business of the Group, for equalising dividends, for special dividend or bonus, or such other purposes for which the profits of the Group may lawfully be applied.

(t) Contingent liability

A contingent liability is disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote. Where the Group is jointly and severally liable for an obligation, the part of the obligation that is expected to be met by other parties is treated as a contingent liability. The entity recognises a provision for the part of the obligation for which an outflow of resources embodying economic benefits is probable, except in the extremely rare circumstances where no reliable estimate can be made. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognised in the financial statements of the period being audited except in the extremely rare circumstances where no reliable estimate can be made.

(u) Related party transactions or insider dealings

Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Group. Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity directly, including any director (whether executive or otherwise) of that entity. The Group considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Where there is a related party transactions within the Group, the transactions are disclosed separately as to the type of relationship that exists within the Group and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

(v) Effective Interest Method

The effective interest method is a method of calculating the amortised cost of an interest bearing financial instrument and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cashflows (including all fees and points paid or received that form an integral part of the effective interest rate, translation costs and other premiums or discounts) through the expected life of the debt instruments, or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(w) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it can earn revenues and incur expenses, including revenues and expenses that relates to transactions with any of the Group's other components, whose operating results are reviewed regularly by the Finance Director (being the Chief Operating Decision Maker) to make decisions about resources allocated to each segment and assess its performance, and for which discrete financial information is available.

7 Determination of fair value

- (a) A number of the Group's accounting policies and disclosures require the determination of fair value for the both financial and non-financial assets and liabilities. Fair values have been determined for measurement and /or disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determine fair values is disclosed in the notes specific to that assets or liabilities.

i Property, plant and equipment

The fair value of items of plant and machinery, fixtures and fittings, motor vehicles and Land and buildings is based on depreciated replacement cost and comparison approaches. "Depreciated replacement cost" reflects the current cost of reconstructing the existing structure together with the improvements in today's market adequately depreciated to reflect its physical wear and tear, age, functional and economic obsolescence plus the site value in its existing use as at the date of inspection while "Comparison Approach" that is the analysis of recent sale transactions or similar properties in the neighbourhood. The figure thus arrived at represents the best price that the subsisting interest in the property will reasonably be expected to be sold if made available for sale by private treaty between a willing seller and buyer under competitive market conditions.

ii Valuation of financial assets at fair value through other comprehensive income (FVOCI)

The fair value of investments in equity are determined with reference to their quoted closing bid price at the measurement date, or if unquoted, determined using a valuation technique. Valuation techniques employed is the net asset per share basis.

iii Fair value hierarchy

Fair values are determined according to the following hierarchy based on the requirements in IFRS 7 Financial Instrument Disclosure'.

Level 1 : quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities values using models where all significant inputs are observable.

Level 3: valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

(b) Financial risk management

i General

Pursuant to a financial policy maintained by the Board of Directors, the Group uses several financial instruments in the ordinary course of business. The Group's financial instruments are cash and cash equivalents, trade and other receivables, interest-bearing loans and bank overdrafts and trade and other payables.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk, consisting of: currency risk, interest rate risk and price risk

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from Group's receivables from customers. It is the Group's policy to assess the credit risk of new customers before entering into contracts.

The Management has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases bank references. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Management.

The Management determines concentrations of credit risk by quarterly monitoring the creditworthiness rating of existing customers and through a monthly review of the trade receivables' ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics. Customers that are grouped as "high risk" are placed on a restricted customer list, and future credit services are made only with approval of the Management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

The maximum credit risk as per statement of financial position, without taking into account the aforementioned financial risk coverage instruments and policy, consists of the book values of the financial assets as stated below:

	2024	2023
	N'000	N'000
Trade receivables (Note 20)	461,593	307,384
Cash and cash equivalents (Note 21)	1,576,150	1,521,272
	<u>2,037,743</u>	<u>1,828,656</u>

As at the reporting date there was no concentration of credit risk with certain customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. Banks with good reputation are accepted by the Group for business transactions.

Cash is held with the following institutions

	N'000	N'000
Access Bank Plc	8,395	8,172
Eco Bank Plc	1,810	2,081
First City Monument Bank Limited	6,925	6,145
Guaranty Trust Bank Plc	7,354	788
Stanbic IBTC Bank Plc	118	13,191
First Bank of Nigeria Limited	17	8,595
Zenith Bank Plc	9	76
Sterling Bank Plc	13	8
Union Bank of Nigeria Plc	2,753	99
Polaris Bank Limited	914	2,655
Heritage Bank Limited	6	131
United Bank for Africa Plc	307	1,114
Wema Bank Plc	174	98
Providus Bank Limited	1	1
Wema Bank Plc (Through GTL Registrar)	224,206	247,767
Greenwich Asset Management Limited	126,260	113,171
Greenwich Merchant Bank Limited	1,196,888	1,117,180
	<u>1,576,150</u>	<u>1,521,272</u>

c) **Impairment of trade receivables**

The Company has trade receivables for the sales of inventory that is subject to the expected credit loss model.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, no impairment loss was identified.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivable are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified the GDP and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for both trade receivables and contract assets:

	1 - 30 days	31 - 60 days past due	61 - 90 days past due	91 - 180 days past due	181 - 360 days past due	Above 360 days	Total
31 December 2024							
Expected loss rate	0.0%	0%	0%	10%	50%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount - trade receivables	339,870	50,654	31,611	41,436	4,332	42,600	510,503
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	-	-	-	4,144	2,166	42,600	48,910
31 December 2023							
Expected loss rate	0.0%	0%	0%	10%	50%	100%	
	N'000	N'000	N'000	N'000	N'000	N'000	N'000
Gross carrying amount - trade receivables	128,748	109,189	41,651	27,112	6,792	36,491	349,982
Gross carrying amount - contract assets	-	-	-	-	-	-	-
Loss allowance	-	-	-	2,711	3,396	36,491	42,598

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Liquidity projections including available credit facilities are incorporated in the regular management information reviewed by Management. The focus of the liquidity review is on the net financing capacity, being free cash plus available credit facilities in relation to the financial liabilities. The following are the contractual maturities of financial liabilities:

As at 31 December 2024	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	24,109	-	5,779	18,330
Trade and other payables	840,834	-	840,834	-
	<u>864,943</u>	<u>-</u>	<u>846,613</u>	<u>18,330</u>

As at 31 December 2023	Book value	Contractual cashflow	One year or less	1-5 years
	N'000	N'000	N'000	N'000
Borrowings	24,109	-	18,330	5,779
Trade and other payables	623,134	-	623,134	-
	<u>647,243</u>	<u>-</u>	<u>641,464</u>	<u>5,779</u>

Market risk

Market risk concerns the risk that Group income or the value of investments in financial instruments is adversely affected by changes in market prices, such as exchange rates and interest rates. The objective of managing market risks is to keep the market risk position within acceptable boundaries while achieving the best possible return.

Foreign exchange risk

The functional currency of the Group is the Nigerian naira.

Interest rate risk

The Group has fixed interest rate liabilities. In respect of controlling interest risks, the policy is that, in principle, interest rates for loans payable are primarily fixed for the entire maturity period. This is achieved by contracting loans that carry a fixed interest rate. The effective interest rates and the maturity term profiles of interest-bearing loans, deposits and cash and cash equivalents are stated below:

As at 31 December 2024	Effective interest	one year or less	1-5 years	Total
	N'000	N'000	N'000	N'000
Cash and cash equivalents	-	1,576,150	-	1,576,150
Borrowings	-	(5,779)	(18,330)	(24,109)
	<u>-</u>	<u>1,570,371</u>	<u>(18,330)</u>	<u>1,552,041</u>

Fair Value

Financial instruments accounted for under assets and liabilities are cash and cash equivalents, receivables, and current and non-current liabilities. The fair value of most of the financial instruments does not differ materially from the book value.

(ii) **Capital management**

The Board of Director's policy is to maintain a strong capital base so as to maintain customer, investor, creditor and market confidence and to support future development of the business. The Board of Directors monitors the debt to capital ratio. The Board of Directors also monitors the level of dividend to be paid to holders of ordinary shares. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the benefits of a sound capital position. There were no changes in the Company's approach to capital management during the year. The Group is not subject to externally imposed capital requirements.

The debt-to-adjusted-capital ratio at 31 December 2024 and at 31 December 2023 were as follows:

	2024	2023
	N'000	N'000
Trade and other payables	840,834	623,134
Borrowings	5,779	24,109
Less: cash and cash equivalents	(1,576,150)	(1,521,272)
Net debt	<u>(729,537)</u>	<u>(874,029)</u>
Total equity	<u>1,778,800</u>	<u>1,632,744</u>
Debt to adjusted capital ratio (%)	<u>-41%</u>	<u>-54%</u>

9 Revenue from contracts with customers

The Company has disaggregated revenue into various categories as analysed below:

31 December 2024	GROUP			COMPANY		
	Paint	Application of paint	Total	Paint	Application of paint	Total
Customer category	N'000	N'000	N'000	N'000	N'000	N'000
Private	1,855,095	32,135	1,887,230	1,855,095	32,135	1,887,230
Wholesale	927,545	-	927,545	927,545	-	927,545
Retail	309,182	-	309,182	309,182	-	309,182
Sum Total	3,091,822	32,135	3,123,957	3,091,822	32,135	3,123,957
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	1,700,503	32,135	1,732,638	1,700,503	32,135	1,732,638
Auto & Wood	154,591	-	154,591	154,591	-	154,591
Industrial and Marine	1,236,728	-	1,236,728	1,236,728	-	1,236,728
Sum Total	3,091,822	32,135	3,123,957	3,091,822	32,135	3,123,957
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	463,774	-	463,774	463,774	-	463,774
West	1,855,093	32,135	1,887,228	1,855,093	32,135	1,887,228
North	772,955	-	772,955	772,955	-	772,955
Sum Total	3,091,822	32,135	3,123,957	3,091,822	32,135	3,123,957

31 December 2023	GROUP			COMPANY		
	Paint	Application of paint	Total	Paint	Application of paint	Total
Customer category	N'000	N'000	N'000	N'000	N'000	N'000
Private	1,528,997	6,811	1,535,808	1,528,997	6,811	1,535,808
Wholesale	623,560	-	623,560	623,560	-	623,560
Retail	107,423	-	107,423	107,423	-	107,423
Sum Total	2,259,980	6,811	2,266,791	2,259,980	6,811	2,266,791
Product category	N'000	N'000	N'000	N'000	N'000	N'000
Decorative	1,654,012	6,811	1,660,823	1,654,012	6,811	1,660,823
Auto & Wood	18,379	-	18,379	18,379	-	18,379
Industrial and Marine	587,589	-	587,589	587,589	-	587,589
Sum Total	2,259,980	6,811	2,266,791	2,259,980	6,811	2,266,791
Region-Wise	N'000	N'000	N'000	N'000	N'000	N'000
East	198,619	-	198,619	198,619	-	198,619
West	1,545,076	6,811	1,551,887	1,545,076	6,811	1,551,887
North	516,285	-	516,285	516,285	-	516,285
Sum Total	2,259,980	6,811	2,266,791	2,259,980	6,811	2,266,791

10	Cost of sales	GROUP		COMPANY	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
	Paints	2,060,624	1,372,949	2,060,624	1,372,949
	Application of paints	22,465	4,420	22,465	4,420
		2,083,089	1,377,369	2,083,089	1,377,369

Segment Reporting

Products and services from which reportable segments derive their revenues

The determination of the Group's operating segments is based on the organisation units for which information is reported to the management. Revenue is primarily generated from the sale of Paints and Services rendered through application of paints.

The principal categories are sale of paints, adhesives/tiles and application of paints. The entity's reportable segments under IFRS 8 are therefore as follows:

Paints	This segment is involved in the production of diverse paints products of premium class in their different categories.
Painting services	This segment is involved in application of paints on completed buildings in accordance with the architectural design.

	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Segment Revenue and results				
Paints	3,091,822	2,259,980	3,091,822	2,259,980
Painting services	32,135	6,811	32,135	6,811
	<u>3,123,957</u>	<u>2,266,791</u>	<u>3,123,957</u>	<u>2,266,791</u>
Segment results	N'000	N'000	N'000	N'000
Investment income	251,508	159,629	251,508	159,629
Other gains and losses	76,782	13,497	76,782	13,497
Finance costs	(2,548)	(4,187)	(2,548)	(4,187)
Profit before tax	<u>457,606</u>	<u>350,900</u>	<u>457,606</u>	<u>350,900</u>

Segment Accounting Policies

The accounting policies of the reportable segments are the same as the group's accounting policies described in note 6. Segment results represents the gross profit earned by each segment without allocation of general operating expenses, other gains and losses recognised on investment income, other gains and losses as well as finance costs.

This is the measure reported to the Chief Operating Decision Maker for the purpose of resource allocation and assessment of segment performance.

Business and geographical segments

The company operates in all geographical areas in the Country.

Segment assets and liabilities

All assets and liabilities are jointly used by the reportable segments.

11 (a) Other operating income	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Profit on disposal of property, plant and equipment	12,606	4,781	12,606	4,781
Sale of scraps	12,088	5,537	12,088	5,537
Being Withholding tax credit recovered	37,623	-	37,623	-
Sundry income	751	2,769	751	2,769
Provision no longer required (Note 23)	13,669	-	13,669	-
Canteen takings	47	410	47	410
	<u>76,782</u>	<u>13,497</u>	<u>76,782</u>	<u>13,497</u>
11 (b) Proceed from disposal of property, plant and equipment	N'000	N'000	N'000	N'000
Cost	16,840	14,223	16,840	14,223
Accumulated depreciation	(16,746)	(14,222)	(16,746)	(14,123)
Carring amount	94	1	94	100
Profit on disposal of property, plant and equipment	12,606	4,781	12,606	4,781
	<u>12,700</u>	<u>4,782</u>	<u>12,700</u>	<u>4,881</u>

12 Selling and distribution expenses	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Basic salary	122,384	114,621	122,384	114,621
Overtime	2,153	1,429	2,153	1,429
Fringe costs	65,719	57,096	65,719	57,096
Christmas bonus	9,383	8,255	9,383	8,255
NSITF	1,586	1,218	1,586	1,218
Pension scheme	8,448	12,337	8,448	12,337
Casual labour	10,087	7,986	10,087	7,986
Carriage inward	60,720	54,541	60,720	54,541
Sales promotion/commission	23,717	16,826	23,717	16,826
Depot and sales float expenses	12,201	5,448	12,201	5,448
Delivery Van expenses	14,359	15,964	14,359	15,964
Dev.and Product testing	1,599	1,543	1,599	1,543
	<u>332,356</u>	<u>297,264</u>	<u>332,356</u>	<u>297,264</u>
13 Administrative expenses	N'000	N'000	N'000	N'000
Canteen expenses	19,289	15,800	19,289	15,800
Medical expenses	13,053	2,912	13,053	2,912
Maintenance - mechanical	351	512	351	512
Security guards expenses	6,206	5,255	6,206	5,255
Computer expenses	3,659	1,791	3,659	1,791
Building rents and rates	3,176	5,127	3,176	5,127
Repairs and maintenance general	6,572	2,825	6,572	2,825
Depreciation - building	10	10	10	10
Depreciation - vehicles	15,459	5,750	15,459	5,750
Depreciation - office equipment	3,772	2,613	3,772	2,613
Depreciation - furniture and fittings	806	666	806	666
Depreciation - Right of use asset	33,000	44,510	33,000	44,510
Amortization - Software	1,325	-	1,325	-
Advert and publicity expenses	2,567	1,077	2,567	1,077
Fuel and lubricants	22,917	14,806	22,917	14,806
Vehicle running expenses	13,500	12,996	13,500	12,996
Travelling	7,337	5,617	7,337	5,617
Directors fees and board expenses	32,968	18,550	32,968	18,550
Insurance expenses	11,180	9,100	11,180	9,100
Legal and professional fees	19,800	16,852	19,896	16,947
Staff Welfare	7,906	5,075	7,906	5,075
Printing and Stationary	3,492	3,830	3,492	3,830
Telephone	3,671	3,317	3,671	3,317
AGM expenses	4,023	2,723	4,023	2,723
Courier/postage	61	69	61	69
Audit fees	6,600	5,600	6,500	5,500
Bank charges - local	2,225	2,287	2,225	2,287
Performance cost	77,802	45,903	77,802	45,903
Staff training	2,021	468	2,021	468
Clearing licence renewal	20,659	21,383	20,659	21,383
Industrial training fund	1,568	2,526	1,568	2,526
ITF (Back duty Assessment)	20,000	-	20,000	-
General stores and consumables	6,727	5,405	6,727	5,405
Entertainment	2,657	1,582	2,657	1,582
Management fees expenses	156,198	112,943	156,198	112,943
	<u>532,557</u>	<u>379,880</u>	<u>532,553</u>	<u>379,875</u>

	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
<i>Balance brought forward</i>	532,557	379,880	532,553	379,875
Provision for doubtful receivables (Note 20(i))	6,312	3,277	6,312	3,277
Light and Water Expenses	5,021	2,595	5,021	2,595
Site & office cleaning	5,852	3,615	5,852	3,615
Subscriptions	8,543	3,733	8,543	3,733
Provision for dismantlement and restoration	3,495	-	3,495	-
Other expenses	14,872	17,102	14,872	17,102
	<u>576,652</u>	<u>410,202</u>	<u>576,648</u>	<u>410,197</u>
14 <u>Finance income and costs</u>	N'000	N'000	N'000	N'000
(i) Finance income:				
Interest received on bank deposit	<u>251,508</u>	<u>159,629</u>	<u>251,508</u>	<u>159,629</u>
(ii) Finance costs:	N'000	N'000	N'000	N'000
Finance expense on lease	<u>2,548</u>	<u>4,187</u>	<u>2,548</u>	<u>4,187</u>
15 Profit before taxation is arrived at after charging:				
	N'000	N'000	N'000	N'000
Depreciation of property, plant and equipment	24,290	12,537	24,290	12,537
Depreciation of Right of use assets	33,000	36,274	33,000	36,274
Amortization - Software	1,325	-	1,325	-
Profit on disposal of property, plant and equipment	12,606	4,781	12,606	4,781
Auditors remuneration**	<u>6,600</u>	<u>5,600</u>	<u>6,500</u>	<u>5,500</u>
**During the year, BDO Professional Services did not provide non-audit service to the Company aside the audit of financial statements (2023:Nil).				
16 Tax expense	N'000	N'000	N'000	N'000
(a) <u>Per profit and loss account</u>				
Income tax payable on results for the year:				
Company Income tax	127,882	103,378	127,882	103,378
Police Trust Fund	23	18	23	18
Education tax	13,914	11,535	13,914	11,535
Deferred tax expense	18,358	-	18,358	-
Underprovision of Income tax in prior year	<u>2,023</u>	<u>-</u>	<u>2,023</u>	<u>-</u>
	<u>162,200</u>	<u>114,931</u>	<u>162,200</u>	<u>114,931</u>

16(b) Per statement of financial position

	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Balance at 1 January				
Income tax	103,378	7,724	103,378	7,724
Education tax	11,535	254	11,535	254
Nigeria Police Trust Fund levy	18	-	18	-
Capital Gain Tax	-	2,268	-	2,268
	<u>114,931</u>	<u>10,246</u>	<u>114,931</u>	<u>10,246</u>
Payments during the year:				
Income tax	-	-	-	-
Education tax	(11,720)	(254)	(11,720)	(254)
Withholding tax utilised	(105,216)	(7,724)	(105,216)	(7,724)
Capital Gain Tax	-	(2,268)	-	(2,268)
Nigeria Police Trust Fund levy	(18)	-	(18)	-
Provision for the year:				
Income tax	127,882	103,378	127,882	103,378
Education tax	13,914	11,535	13,914	11,535
Nigeria Police Trust Fund levy	23	18	23	18
Underprovision of Income tax in prior years	2,023	-	2,023	-
Balance at 31 December	<u>141,819</u>	<u>114,931</u>	<u>141,819</u>	<u>114,931</u>

16(c) *Income tax recognised in profit or loss*

Company income tax is calculated at 30% of the estimated taxable profit for the year. The charge for taxation in these financial statements is based on the provisions of the Company Income Tax Act, CAP C21 LFN, 2004.

The charge for education tax is based on the provision of the Education Tax Act which is 3% of the assessable profit for the year.

Nigeria police trust fund levy is based on the provisions of the Nigeria Police Trust Fund (Establishment) Act 2019 which is 0.0005% of the net profit before tax for the year.

The income tax expense for the year can be reconciled to the accounting profit as per the statement of comprehensive income as follows:

	N'000	N'000
Profit before tax	<u>457,606</u>	<u>350,900</u>
Tax at the statutory corporation tax rate of 30%	137,282	105,270
Effect of income that is exempt from taxation	(24,668)	(6,156)
Effect of expenses that are not deductible in determining taxable profit	26,527	6,759
Effect of capital allowance	(11,259)	(2,495)
Education tax at 3% of assessable profit	13,914	11,535
Capital gains tax	-	-
Police Trust Fund Levy	23	18
Overprovision of income tax	-	-
Current year deferred tax	-	-
Tax expense recognised in profit or loss	<u>141,818</u>	<u>114,931</u>
Effective rate %	<u>0.31</u>	<u>0.33</u>

16(d) Deferred taxation	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Deferred tax liabilities	22,889	4,530	22,889	4,530
Deferred tax assets	-	-	-	-
	<u>22,889</u>	<u>4,530</u>	<u>22,889</u>	<u>4,530</u>
Deferred tax				
Movement in deferred tax				
At 1 January	4,530	4,530	4,530	4,530
Expense during the year	18,358	-	18,358	-
At 31 December	<u>22,889</u>	<u>4,530</u>	<u>22,889</u>	<u>4,530</u>

The tax rate used for 2024 and 2023 reconciliation above is the corporate tax rate of 30% and 3% for tertiary education tax payable by corporate entities in Nigeria on taxable profits under tax laws in the Country, for the year ended 31 December 2024.

17(a) Property, plant and equipment - Group

Cost:	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture & fittings N'000	Motor vehicles N'000	Capital Work In Progress N'000	Total N'000
At 1 January 2023	513	216,388	41,042	14,195	150,892	252,290	675,320
Additions	-	7,881	6,993	100	7,236	-	22,210
Disposals	-	-	-	-	(14,223)	-	(14,223)
Reclassifications	-	3,400	-	-	41,070	(3,400)	41,070
At 31 December 2023	513	227,669	48,035	14,295	184,976	248,890	724,378
At 1 January 2024	513	227,669	48,035	14,295	184,976	248,890	724,378
Additions	-	10,447	6,580	1,357	14,993	-	33,377
Disposals	-	(6,820)	-	-	(10,020)	-	(16,840)
At 31 December 2024	513	231,296	54,615	15,652	189,949	248,890	740,915
Accumulated depreciation and impairment:							
At 1 January 2023	200	203,035	36,988	11,819	144,460	-	396,502
Charge for the year	10	3,566	2,545	666	5,750	-	12,537
Reclassification	-	-	-	-	8,236	-	8,236
On disposals	-	-	-	-	(14,123)	-	(14,123)
At 31 December 2023	210	206,601	39,533	12,485	144,323	-	403,152
At 1 January 2024	210	206,601	39,533	12,485	144,323	-	403,152
Charge for the year	10	4,242	3,772	806	15,459	-	24,290
On disposals	-	(6,820)	-	-	(9,926)	-	(16,746)
At 31 December 2024	220	204,023	43,305	13,291	149,856	-	410,695
Carrying amounts as at:							
31 December 2024	293	27,273	11,309	2,361	40,093	248,890	330,219
31 December 2023	303	21,068	8,502	1,810	40,653	248,890	321,226

b) Property, plant and equipment - Company

Cost:	Buildings N'000	Plant & machinery N'000	Office equipment N'000	Furniture and fittings N'000	Motor Vehicles N'000	Capital Work- in Progress N'000	Total N'000
At 1 January 2023	513	216,388	41,042	14,195	150,892	252,290	675,320
Additions	-	7,881	6,993	100	7,236	-	22,210
Reclassification	-	3,400	-	-	41,070	(3,400)	41,070
Disposals	-	-	-	-	(14,223)	-	(14,223)
At 31 December 2023	513	227,669	48,035	14,295	184,976	248,890	724,378
At 1 January 2024	513	227,669	48,035	14,295	184,976	248,890	724,378
Additions	-	10,447	6,580	1,357	14,993	-	33,377
Disposals	-	(6,820)	-	-	(10,020)	-	(16,840)
At 31 December 2024	513	231,296	54,615	15,652	189,949	248,890	740,915
Accumulated depreciation and impairment:							
At 1 January 2023	200	203,035	36,988	11,819	144,460	-	396,502
Charge for the year	10	3,566	2,545	666	5,750	-	12,537
On disposals	-	-	-	-	(14,123)	-	(14,123)
Reclassification	-	-	-	-	8,236	-	8,236
At 31 December 2023	210	206,601	39,533	12,485	144,323	-	403,152
At 1 January 2024	210	206,601	39,533	12,485	144,323	-	403,152
Charge for the year	10	4,242	3,772	806	15,459	-	24,290
On disposals	-	(6,820)	-	-	(9,926)	-	(16,746)
At 31 December 2024	220	204,023	43,305	13,291	149,856	-	410,695
Carrying amount as at:							
31 December 2024	293	27,273	11,309	2,361	40,093	248,890	330,219
31 December 2023	303	21,068	8,502	1,810	40,653	248,890	321,226

i **Assets pledged as security**

None of the Company's assets is pledged as collateral for loans (2023: Nil)

ii **Contractual commitments**

At 31 December 2024, the Company had no contractual commitments for the acquisition of property, plant and equipment (2023: Nil).

17(c) Right of use assets -Group	Motor Vehicles N'000	Leased Building N'000	Total N'000
Cost:			
At 1 January 2023	21,570	115,834	137,404
Additions	19,500	33,000	52,500
Reclassification	(41,070)	-	(41,070)
At 31 December, 2023	<u>-</u>	<u>148,834</u>	<u>148,834</u>
At 1 January 2024	-	148,834	148,834
Additions	-	16,500	16,500
At 31 December, 2024	<u>-</u>	<u>165,334</u>	<u>165,334</u>
Accumulated Depreciation:			
At 1 January 2023	-	93,310	93,310
Charge for the year	8,236	36,274	44,510
Reclassification	(8,236)	-	(8,236)
At 31 December, 2023	<u>-</u>	<u>129,584</u>	<u>129,584</u>
At 1 January 2024	-	129,584	129,584
Charge for the year	-	33,000	33,000
At 31 December, 2024	<u>-</u>	<u>162,584</u>	<u>162,584</u>
Carrying amount :			
At 31 December 2024	<u>-</u>	<u>2,750</u>	<u>2,750</u>
At 31 December 2023	<u>-</u>	<u>19,250</u>	<u>19,250</u>
Right of use assets -Company			
Cost			
At 1 January 2023	21,570	115,834	137,404
Additions	19,500	33,000	52,500
Reclassification	(41,070)	-	(41,070)
At 31 December, 2023	<u>-</u>	<u>148,834</u>	<u>148,834</u>
At 1 January 2024	-	148,834	148,834
Additions (Note 17)	-	16,500	16,500
At 31 December, 2024	<u>-</u>	<u>165,334</u>	<u>165,334</u>
Accumulated Depreciation:			
At 1 January 2023	-	93,310	93,310
Charge for the year	8,236	36,274	44,510
Reclassification	(8,236)	-	(8,236)
At 31 December, 2023	<u>-</u>	<u>129,584</u>	<u>129,584</u>
At 1 January 2024	-	129,584	129,584
Charge for the year	-	33,000	33,000
At 31 December, 2024	<u>-</u>	<u>162,584</u>	<u>162,584</u>
Carrying amount			
At 31 December 2024	<u>-</u>	<u>2,750</u>	<u>2,750</u>
At 31 December 2023	<u>-</u>	<u>19,250</u>	<u>19,250</u>

17(d) Intangible assets -Group

	Software N'000	Total N'000
Cost:		
At 1 January 2023	4,157	4,157
Additions	-	-
At 31 December, 2023	<u>4,157</u>	<u>4,157</u>
At 1 January 2024	4,157	4,157
Additions	19,878	19,878
At 31 December, 2024	<u>24,035</u>	<u>24,035</u>
Depreciation:		
At 1 January 2023	4,157	4,157
Charge for the year	-	-
At 31 December , 2023	<u>4,157</u>	<u>4,157</u>
At 1 January 2024	4,157	4,157
Charge for the year	1,325	1,325
At 31 December , 2024	<u>5,482</u>	<u>5,482</u>
Carrying amount :		
At 31 December 2024	<u>18,553</u>	<u>18,553</u>
At 31 December 2023	<u>-</u>	<u>-</u>

Intangible assets - Company

	Software N'000	Total N'000
Cost		
At 1 January 2023	4,157	4,157
Additions	-	-
At 31 December, 2023	<u>4,157</u>	<u>4,157</u>
At 1 January 2024	4,157	4,157
Additions (Note 17)	19,878	19,878
At 31 December, 2024	<u>24,035</u>	<u>24,035</u>
Depreciation		
At 1 January 2023	4,157	4,157
Charge for the year	-	-
At 31 December , 2023	<u>4,157</u>	<u>4,157</u>
At 1 January 2024	4,157	4,157
Charge for the year	1,325	1,325
At 31 December , 2024	<u>5,482</u>	<u>5,482</u>
Carrying amount		
At 31 December 2024	<u>18,553</u>	<u>18,553</u>
At 31 December 2023	<u>-</u>	<u>-</u>

18 Investment in subsidiary	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Carrying amount at cost	9,600	9,600	9,600	9,600
Provision for Impairment	(9,600)	(9,600)	(9,600)	(9,600)
	-	-	-	-

Details of the Company subsidiary at the end of the reporting period is as stated below:

Name of the company	Principal activity	Place of incorporation	Proportion of ownership interest and voting power held by the Company	
			2024	2023
DNM Construction Limited	Construction and rehabilitation of buildings	Nigeria	96%	96%

The Company's owns 96% of the DNM Construction Limited

The remaining 4% shares attributable to non controlling interest is as detailed below:

	Cost	
	N'000	%
Mr. Kayode Falowo	100	1
Mr. Oluwatoyin Okeowo	100	1
Alhaji Ibrahim Suleman	100	1
Arc. Ayoola Onajide	100	1
	400	4

Two out of the four shareholders are directors of Meyer Plc.

19 Inventory	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Raw Materials	228,087	97,411	228,087	97,411
Work-in-progress	34,067	20,611	34,067	20,611
Finished goods	112,812	73,249	112,812	73,249
Consumables	4,426	2,844	4,426	2,844
	379,392	194,115	379,392	194,115

(i) The carrying amount of the inventory is the lower of cost and net realisable value as at the reporting dates.

20 Trade and other receivables	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
Trade receivables	537,214	376,693	510,503	349,982
Allowance for doubtful debts (i)	(48,910)	(42,598)	(48,910)	(42,598)
Trade receivables - net	488,304	334,095	461,593	307,384
WHT claimable	6,302	52,859	6,302	52,859
Prepayments (iv)	3,810	8,321	3,810	8,321
Sundry debtors	3,331	741	2,931	341
Deferred charges*	31,407	-	31,407	-
Total trade and other receivables	533,154	396,016	506,043	368,905

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

*Deferred charges represent costs incurred for ongoing Decor projects, where the contractual obligations have not yet been fully completed during the year.

(i) *Movement in allowance for doubtful debts is as analysed below:*

	N'000	N'000	N'000	N'000
Balance at the beginning of the year	42,598	39,321	42,598	39,321
Addition during the year	6,312	3,277	6,312	3,277
Balance at the end of the year	48,910	42,598	48,910	42,598

Trade receivables represents receivables from customers for goods sold and other trading services rendered to them. Trade receivables are stated at amortised cost as at the statement of financial position date. The movement in the impairment allowance for trade receivables has been included in administrative expenses line in the consolidated statement of profit or loss and other comprehensive income.

(iii) *The age analysis of trade receivables is as follows:*

	N'000	N'000
Past due < 90days	422,135	279,587
Past due 90-180 days	41,436	27,112
Past due 180-360 days	4,332	6,792
Past due 360 days and above	42,600	36,491
	510,503	349,982

(iv) **Prepayments**

	N'000	N'000	N'000	N'000
Prepaid rent	236	2,287	236	2,287
Prepaid expenses	3,305	5,436	3,305	5,436
Prepaid insurance	269	598	269	598
Total prepayments	3,810	8,321	3,810	8,321

21	Cash and cash equivalents	GROUP		COMPANY	
		2024 N'000	2023 N'000	2024 N'000	2023 N'000
	Cash and bank balances	29,093	43,336	28,909	43,153
	Short term investments	1,547,241	1,478,119	1,547,241	1,478,119
		<u>1,576,334</u>	<u>1,521,455</u>	<u>1,576,150</u>	<u>1,521,272</u>

For the purposes of the statement of cashflows, cash and cash equivalents include cash on hand and in banks and short term investments with an original maturity of three months or less, net of outstanding bank overdraft. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as above.

(i) **Short term investments**

These represent cash held in fixed deposits in various banks. These Investments are placed in short term deposits and are continuously rolled over throughout the period.

22	Borrowings	N'000	N'000	N'000	N'000
	GTL Registrars	1,813	1,813	1,813	1,813
	Greenwich Asset Mgt Limited (Term loan obligations) (Note 22(i)(a))	3,966	22,296	3,966	22,296
		<u>5,779</u>	<u>24,109</u>	<u>5,779</u>	<u>24,109</u>

(i) **Term Loan obligations**

(a) The movement in the Term Loan obligations is as follows:

	N'000	N'000	N'000	N'000
Balance at the beginning of year	22,296	18,275	22,296	18,275
Additions during the year	-	16,575	-	16,575
Repayments	(18,330)	(12,554)	(18,330)	(12,554)
Balance at the end of the year	<u>3,966</u>	<u>22,296</u>	<u>3,966</u>	<u>22,296</u>

(b) Finance lease liabilities represent the asset financing facility obtained during the year for the purchase of a Motor vehicle. Future minimum finance lease payments at the end of each reporting period under review were as follows:

	Total	Within 1 year	Within 1 to 2 years
	N'000	N'000	N'000
Minimum lease payment			
31 December 2024			
Lease payment	<u>3,966</u>	<u>3,966</u>	-
31 December 2023			
Lease payment	<u>22,296</u>	<u>11,148</u>	<u>11,148</u>

(ii)	N'000	N'000	N'000	N'000
The movement in loan is as follows:				
Balance at the beginning of the year	24,109	20,088	24,109	20,088
Additions during the year	-	16,575	-	16,575
Repayments	(18,330)	(12,554)	(18,330)	(12,554)
	<u>5,779</u>	<u>24,109</u>	<u>5,779</u>	<u>24,109</u>
Amount due within one year	<u>(5,779)</u>	<u>(18,330)</u>	<u>(5,779)</u>	<u>(18,330)</u>
Amount due after one year	-	<u>5,779</u>	-	<u>5,779</u>

This current position relates to amount that will fall due to Greenwich Assets Management Limited (GAML).

Lease facility from GAML, a related party, was for the purchase of a Motor Vehicle during the year at a lease rate of interest of 18% Per annum and spread over 24 months.

	GROUP		COMPANY	
	2024	2023	2024	2023
23 Employment benefits	N'000	N'000	N'000	N'000
Balance as at 1 January	13,669	14,989	13,669	14,989
Provision no longer required writeback (Note 11)	(13,669)	-	(13,669)	-
Pension funds received	20,018	-	20,018	-
Payment for the year	(12,175)	(1,320)	(12,175)	(1,320)
Balance 31 December	<u>7,843</u>	<u>13,669</u>	<u>7,843</u>	<u>13,669</u>
24 Trade and other payables	N'000	N'000	N'000	N'000
Trade payables	288,778	230,294	282,943	224,459
Amount due to related parties (Note 31(i))	117,423	55,809	149,207	87,598
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	<u>406,201</u>	<u>286,103</u>	<u>432,150</u>	<u>312,057</u>
Other payables and accruals (Note 24(a))	410,257	312,658	408,684	311,077
Total trade and other	<u>816,458</u>	<u>598,761</u>	<u>840,834</u>	<u>623,134</u>
(a) Other payables and accruals	N'000	N'000	N'000	N'000
Value Added Tax (VAT)	54,356	85,909	54,356	85,909
Withholding tax payable	32,675	33,375	32,632	33,332
Pay As You Earn (PAYE)	1,835	1,142	1,835	1,142
Accruals	28,186	20,642	28,187	20,643
Industrial Training Fund	20,205	2,848	20,205	2,848
National Housing Fund	65	65	65	65
Sundry creditors	24,145	12,872	22,614	11,333
Customer deposits	143,796	49,292	143,796	49,292
Pension scheme	2,868	4,387	2,868	4,387
Unclaimed dividend	102,126	102,126	102,126	102,126
	<u>410,257</u>	<u>312,658</u>	<u>408,684</u>	<u>311,077</u>

(i) In accordance with Pension Reform Act, 2014 the employees of the Company are members of a pension scheme which is managed by pension fund administrators of their choice. The Company is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Company with respect to the defined contribution plan is to make the specified contributions.

	2024	2023	2024	2023
25 Dismantlement and restoration	N'000	N'000	N'000	N'000
Balance as at 1 January	11,649	11,649	11,649	11,649
Provision for the year	3,494	-	3,494	-
Balance as at 31 December	<u>15,143</u>	<u>11,649</u>	<u>15,143</u>	<u>11,649</u>

This represents the initial estimate of the cost of dismantling and removing items and restoring the site (Leased building) in respect of Right of use assets as disclosed in Note 17(c).

The Group makes full provision for the future cost of decommissioning and dismantling the leased warehouse based on estimated cost of decommissioning the plant, equipment and facilities. It relates to the removal of assets as well as their associated restoration costs. This obligation is recorded in the period in which the liability meets the definition of a "probable future sacrifice of economic benefits arising from a present obligation", and in which it can be reasonably measured. The provision represents the estimated value of future expenditure to be incurred when the plant facilities will be dismantled or relocated to a new location. The estimate is reviewed regularly to take into account any material changes to the assumptions.

	GROUP		COMPANY	
	2024 N'000	2023 N'000	2024 N'000	2023 N'000
26 Share Capital				
Issued and fully paid:				
497,728,562 ordinary shares of 50k each	248,864	248,864	248,864	248,864
27 Share Premium	N'000	N'000	N'000	N'000
Balance at the beginning and end of the year	53,173	53,173	53,173	53,173
28(i) Revenue reserve	N'000	N'000	N'000	N'000
Balance at the beginning of the year	1,379,930	1,143,962	1,330,707	1,094,738
Transfer from statement of profit or loss	295,406	235,968	295,406	235,969
Dividend paid during the year**	(149,350)	-	(149,350)	-
Balance at the end of the year	1,525,986	1,379,930	1,476,763	1,330,707

**At the Annual General Meeting (AGM) held on 24 May 2024, the shareholders approved the payment of a final dividend of 30 kobo per share, subject to applicable withholding tax deductions. The total dividend amounting to N149.350 million was declared for the year ended 31 December 2023.

The dividend was paid on 27 May 2024 to shareholders whose names appeared on the Company's Register of Members as at the close of business on 26 April 2024.

(ii) Non controlling interest	N'000	N'000	N'000	N'000
Balance as at 1 January	2,444	2,440	-	-
Transfer from profit or loss	4	4	-	-
Balance at 31 December	2,448	2,444	-	-

29 Basic earnings per ordinary share

Basic earnings per ordinary share of ₦0.50k each is calculated on the Group's earnings after taxation based on the number of shares in issue at the end of the year.

	N'000	N'000	N'000	N'000
Profit for the year attributable to shareholders	295,402	235,964	295,406	235,969
Basic earnings per share of ₦0.50k each	59	47	59	47
Diluted earnings per share (kobo)	59	47	59	47

30 Reconciliation of statement of cash flows

For the purpose of the statement of cash flows, cash comprises cash at bank and in hand, net of overdraft facilities. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	N'000	N'000	N'000	N'000
Cash and bank balances	1,576,334	1,521,455	1,576,150	1,521,272

31 Related Parties Disclosures

(a) Transactions with related parties

The Company enters into various transactions with its related Companies and with other key management personnel in the normal course of business. The sales to and purchases from related parties are made at normal market price. Details of the significant transactions carried out during the year with the related parties are as follows:

i) Related parties	Nature of transaction	Transaction value for the year			
		GROUP		COMPANY	
		2024	2023	2024	2023
		N'000	N'000	N'000	N'000
GTL Properties Limited	Sales and Application of Paints	19,585	6,535	19,585	6,535
Greenwich Asset Management Limited	Lease of vehicles	3,966	16,575	3,966	16,575
		<u>23,551</u>	<u>23,110</u>	<u>23,551</u>	<u>23,110</u>
Due to related parties:		N'000	N'000	N'000	N'000
DNM Construction Limited		-	-	31,784	31,789
Greenwich Trust Limited		117,002	54,970	117,002	54,970
Greenwich Registrar & Data Sol Limited		421	839	421	839
		<u>117,423</u>	<u>55,809</u>	<u>149,207</u>	<u>87,598</u>

(ii) Identity of related parties

The related parties to the Company include:

DNM Construction Limited - A 96% owned subsidiary of the Company involved in the business and trade of builders, architects and contractors for construction of any kind and for demolition of any structure.

Greenwich Capital Limited- A major shareholder of the Company having 31.43% holdings of the issued share capital as at 31 December 2024 provides management support services to the Company.

Greenwich Asset Management Limited (GAML) - A non-banking financial institution and also a member of the Greenwich group where the Company placed deposit for Money market Investment which amounted to N126 million as at year end (2023: N113 million).

Greenwich Merchant Bank Limited- A Banking financial institution and also a member of the Greenwich group where the Company placed deposit for Money market Investment which amounted to N1.197 billion as at year end (2023: N1.117 billion).

(b) Transactions with key management personnel

Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the Company.

There is no any key management personnel compensation in the category of post employment benefits, other long term benefits, terminal benefits, and share-based payment for the periods under review.

NOTES TO THE FINANCIAL STATEMENTS

Key management includes directors (executive and non-executive) and members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

(i) **Remuneration of key management personnel**

The remuneration of the directors, who are the key management personnel of the Company, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	GROUP		COMPANY	
	2024	2023	2024	2023
The aggregate emoluments of the Directors were:	N'000	N'000	N'000	N'000
Fees	5,000	1,000	5,000	1,000
Other emoluments including pension contributions	16,500	14,800	16,500	14,800
	<u>21,500</u>	<u>15,800</u>	<u>21,500</u>	<u>15,800</u>

(ii) **Chairman**

	NUMBER		NUMBER	
Directors earned fees in the following ranges				
N10,000,000 - Above	1	1	1	1

(iii) **Employees**

	GROUP		COMPANY	
Management	6	6	6	6
Sales and Marketing	21	15	21	15
Production	23	21	23	21
Administration	24	27	24	27
	<u>74</u>	<u>69</u>	<u>74</u>	<u>69</u>

The aggregate payroll costs of these persons were as follows:

	GROUP		COMPANY	
	N'000	N'000	N'000	N'000
Wages, salaries, allowances and other benefits	211,312	190,605	211,312	190,605
Pension and social benefits	8,448	12,337	8,448	12,337
Staff training	2,021	468	2,021	468
	<u>221,781</u>	<u>203,410</u>	<u>221,781</u>	<u>203,410</u>

The table below shows the number of employees of the Company (other than Directors) who earned over N100,000 during the year and which fell within the bands stated below:

	NUMBER		NUMBER	
	2024	2023	2024	2023
N500,001 - N2,000,000	22	21	22	21
N2,000,001 - N3,000,000	26	32	26	32
N3,000,001 - Above	26	16	26	16
	<u>74</u>	<u>69</u>	<u>74</u>	<u>69</u>

32 **Contingent liabilities**

There are several ongoing legal actions against the Company arising out of its normal business operations amounting to N211.284 million (2023: N211.284 million). The directors believe that, based on currently available information and advice of counsels, none of the outcomes that may result from such proceedings will have material effect on the financial position of the Company. Consequently, no provision has been made in these financial statements in respect of any contingent liabilities.

33 **Guarantees and other financial commitments charges on assets**

There were no guarantees and other financial commitments at year end. (2023: Nil)).

34 **Capital expenditure**

Capital expenditure authorised by the Directors but not contracted was nil (2023: nil)

35 **Comparative figures**

Where necessary comparative figures have been adjusted to conform to changes in presentation in the current year in accordance with International Accounting Standard (IAS)1.

36 **Events after the reporting date**

There are no significant events after reporting period, which could have had a material effect on the state of affairs of the Company as at 31 December, 2024 that have not been adequately provided for or disclosed in the financial statements.

MEYER PLC AND ITS SUBSIDIARY COMPANY
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
 OTHER NATIONAL DISCLOSURE
 CONSOLIDATED AND SEPARATE STATEMENT OF VALUE ADDED

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	The Group				The Company			
	2024 N'000	%	2023 N'000	%	2024 N'000	%	2023 N'000	%
Revenue	3,123,957		2,266,791		3,123,957		2,266,791	
Investment income	251,508		159,629		251,508		159,629	
Other income	76,782		13,497		76,782		13,497	
	<u>3,452,247</u>		<u>2,439,917</u>		<u>3,452,247</u>		<u>2,439,917</u>	
Bought-in-materials and services:								
- Local	<u>(2,709,535)</u>		<u>(1,832,618)</u>		<u>(2,709,527)</u>		<u>(1,832,609)</u>	
Value added	<u>742,712</u>	100	<u>607,299</u>	100	<u>742,720</u>	100	<u>607,308</u>	100
Value added as percentage of turnover	<u>24%</u>		<u>27%</u>		<u>24%</u>		<u>27%</u>	
Applied as follows:								
To pay employees:								
Salaries, wages and other benefits	221,781	30	203,410	33	221,781	30	203,410	33
To pay Government:								
Taxation	162,200	22	114,931	19	162,200	22	114,931	19
To pay providers of capital:								
Finance charges	2,548	0	4,187	1	2,548	0	4,187	1
Retained for Companies future:								
- Depreciation (PPE & RoU)	57,290	8	48,811	8	57,290	8	48,811	8
- Dismantlement and restoration	3,495	0	-	-	3,495	0	-	-
- Non controlling interest	(4)	-	(4)	-	-	-	-	-
- Profit or loss account	<u>295,402</u>	<u>40</u>	<u>235,964</u>	<u>39</u>	<u>295,406</u>	<u>40</u>	<u>235,969</u>	<u>39</u>
	<u>742,712</u>	100	<u>607,299</u>	100	<u>742,720</u>	100	<u>607,308</u>	100

Value added represents the additional wealth which the Company has been able to create by its own and its employees' efforts. The statement shows the allocation of that wealth to employees, government, providers of finance and shareholders, and that retained for future creation of more wealth.

MEYER PLC AND ITS SUBSIDIARY COMPANY
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
 OTHER NATIONAL DISCLOSURE
 FIVE-YEAR FINANCIAL SUMMARY

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GROUP

	2024	2023	2022	2021	2020
Statement of financial position	N'000	N'000	N'000	N'000	N'000
Non current assets	351,522	340,474	322,913	343,768	392,059
Net current assets	1,524,824	1,379,564	1,167,645	737,751	1,402,281
Non current liabilities	(45,875)	(35,627)	(42,119)	(26,689)	(26,689)
Net assets	1,830,471	1,684,411	1,448,439	1,054,830	1,767,651
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	248,864
Share premium	53,173	53,173	53,173	53,173	53,173
Retained earnings	1,525,986	1,379,930	1,143,962	750,349	1,463,166
Total equity attributable to owners of the Company	1,828,023	1,681,967	1,445,999	1,052,386	1,765,203
Non-controlling interest	2,448	2,444	2,440	2,444	2,448
	1,830,471	1,684,411	1,448,439	1,054,830	1,767,651
Statement of profit or loss and other comprehensive income					
Turnover	3,123,957	2,266,791	1,435,032	1,118,098	827,599
Profit/(loss) before taxation	457,602	350,895	(17,239)	60,266	1,638,380
Tax (expense)/credit	(162,200)	(114,931)	410,852	(26,598)	(520,374)
Profit for the year	295,402	235,964	393,613	33,668	1,118,006
Per share data (kobo):					
Earnings - Basic/diluted	59	47	79	7	225

MEYER PLC AND ITS SUBSIDIARY COMPANY
 FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
 OTHER NATIONAL DISCLOSURE
 FIVE-YEAR FINANCIAL SUMMARY

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COMPANY

Statement of financial position	2024	2023	2022	2021	2020
Net assets	N'000	N'000	N'000	N'000	N'000
Non-current assets	351,522	340,475	322,911	343,766	392,059
Net current assets	1,473,153	1,327,897	1,115,984	686,081	1,350,706
Non-current liabilities	(45,875)	(35,627)	(42,119)	(26,689)	(26,689)
Total assets	1,778,800	1,632,744	1,003,158	1,003,158	1,716,076
Capital and reserves					
Share capital	248,864	248,864	248,864	248,864	248,864
Share premium	53,173	53,173	53,173	53,173	53,173
Revenue Reserve	1,476,763	1,330,707	1,094,738	701,121	1,414,039
Shareholders' funds	1,778,800	1,632,744	1,003,158	1,003,158	1,716,076
	N'000	N'000	N'000	N'000	N'000
Revenue	3,123,957	2,266,791	1,435,032	1,118,098	827,599
profit/(loss) before taxation	457,606	350,900	(17,235)	60,271	1,628,880
Taxation (expense)/credit	(162,200)	(114,931)	410,852	(26,598)	(520,374)
Profit for the year	295,406	235,969	393,617	33,673	1,108,506
Per share data (kobo):					
Earnings - Basic/diluted	59	47	79	7	225